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PART IV

Advertisements and Notices by Private Individuals and Corporations

INDUSTRIAL FINANCE CORPORATION OF INDIA

Seventh Annual Report

Report of the Board of Directors of the Industrial Finance Corporation of India for the year ended 30th June 1955, under Section 35 of the Industrial Finance Corporation Act, 1948.

ANNUAL ACCOUNTS

The Board of Directors present herewith the Accounts for the year ended the 30th June 1955 together with their report on the working of the Corporation during the year.

After payment of expenses of administration and payment of interest on borrowings, and after providing Rs. 15 lakhs towards Reserve for Doubtful Debts, the net profit amounted to Rs. 9,69,509 4 5

(No interest has been charged for the year in respect of the advances made to Sodapore Glass Works Ltd.)

The above amount has been set aside as "Provision for Taxation."

The Central Government, in pursuance of Section 5 of the above Act, have guaranteed a dividend of 2½ per cent per annum on the paid-up Share Capital of Rs. 5 crores. It is proposed to call upon the Government to meet the commitment on dividend payment for the entire amount of Rs. 11,25,000. The total amount already drawn from the Government by way of subvention to meet the guaranteed dividend up to the year ended 30th June 1954 amounts to Rs. 30,95,490-2-6.

Board of Directors—The composition of the Board remained the same as that of last year, except that on the 10th September 1954, the Central Government accepted the resignation of Shri Khandubhai K. Desai from the Directorship of the Corporation consequent on his appointment as the Minister of Labour, Government of India, and nominated in his place on the 9th December 1954 Shri G. D. Ambekar as a Director in terms of Section 10(1)(a) of the I.F.C. Act.

The Board desire to place on record their appreciation of the valuable services rendered to the Corporation by Shri Khandubhai K. Desai during his term of office as a Director of the Corporation.

In terms of Section 11(2) of the Act, Shri H. C. Captain, representing Scheduled Banks, Shri L. S. Vaidyanathan, representing Insurance Companies, Investment Trusts and other like financial institutions, and Shri V. P. Varde, representing Co-operative Banks, will retire at the end of the year but are eligible for re-election. They are, however, required to continue in office until their successors are elected at the Annual General Meeting to be held on the 17th September 1955.

Managing Director—Shri V. R. Sonalker, who was the Managing Director of the Corporation since the 8th June 1951, relinquished charge of his office on the 7th June 1955, on the expiry of his term under the provisions of Section 9(c) of the Act.

On the recommendation of the Board of Directors of the Corporation, the Central Government appointed Shri H. V. Venkatasubbiah, Deputy Chief Officer of the Reserve Bank of India, whose services have been lent to the Corporation by the Reserve Bank of India from 1st December 1954, as Managing Director with effect from the 8th June 1955.

The Board desire to place on record their appreciation of the services of Shri V. R. Sonalker to the Corporation, during his term of office.

Meetings of the Board and of the Executive Committee—During the year under report, seven meetings of the Board were held, four of which were held in Delhi and one each in Calcutta, Bombay and Madras. The Executive Committee held thirteen meetings of which ten were held in Delhi and one each in Calcutta, Bombay and Madras.

Ad-hoc Committees—The Textile Advisory Committee and the Sugar Ad Hoc Committee continued to function during the year under report. The former, which meets in Bombay, held four meetings and considered ten applications for loans. The latter held two meetings in Delhi and tendered advice in respect of seven applications for loans.

The Ad Hoc Committees which were set up last year to deal with applications received from the Engineering and Chemical Industries, also functioned during the year under report. Both these Committees met twice in Delhi to consider six applications in all.

Office Premises—In the fourth Annual Report of the Corporation for the year ended the 30th June 1952, it was mentioned that the Corporation had purchased a plot of land in Parliament Street for constructing an office building of its own. Subsequently the idea was abandoned and the plot of land which had been purchased in pursuance of the original decision was surrendered to Government at its original purchase price, viz., Rs. 7,76,732. A sum of Rs. 1,48,936-0-3 had, however, already been expended in this connection, mostly by way of fees to architects for preparing the plans; this amount has been written off this year.

Distribution of shares—During the year under review, 5 transfer applications for 11 shares were received and the distribution of shares of the Corporation as on 30th June 1955, as compared with the position at the close of each of the preceding 3 years, is given below. It will be observed that the distribution remains the same as at the end of the preceding year.

	30-6-52	30-6-53	30-6-54	30-6-55
Central Government	2,000	2,000	2,000	2,000
Reserve Bank of India	2,054	2,054	2,054	2,054
Scheduled Banks	2,435	2,430	2,405	2,405
Insurance Companies, Investment Trusts and other like financial institutions	2,568	2,573	2,596	2,596
Co-operative Banks	943	943	945	945

Bonds—The total amount of the 3½ per cent 1964 Bonds outstanding at the end of the year remained at Rs. 7,80,50,000/-.

In terms of Section 21 (3) (b) of the I. F. C. Act, the Corporation has arranged with the Reserve Bank of India to borrow funds from them up to a limit of Rs. 3 crores, by lodging as security, therefor its 3½ per cent Bonds of the face value of Rs. 3½ crores maturing in 1956. The aggregate of the amounts borrowed under this arrangement during the year was Rs. 29 lakhs. The borrowings were availed of only for short periods.

Rate of interest—The rate of interest charged by the Corporation on the loans granted by it remained unchanged at 6½ per cent per annum with a rebate of ½ per cent, if the interest and instalments of principal were paid on the due dates.

Auditors—The Central Government appointed Messrs. S. Vaidyanath Aiyar & Co., Delhi, as auditors of the Corporation for the year ended the 30th June 1955, and at the Annual General Meeting of the shareholders of the Corporation held on the 18th September 1954, Messrs. S. B. Billimoria and Co., Bombay, were elected as auditors on behalf of the shareholders, other than the Central Government and the Reserve Bank of India, for the year ended the 30th June 1955. Messrs. S. B. Billimoria and Co. will retire but are eligible for re-election.

Audit by the Comptroller and Auditor-General of India—The accounts of the Corporation for the year ended the 30th June 1954 were audited by the Comptroller and Auditor-General of India under the provisions of Section 34 of the I. F. C. Act. This was the first audit of the accounts of the Corporation by the Comptroller and Auditor-General of India. The replies of the Board to the various points arising out of the Audit report were submitted to Government.

Review of operations—Comparative figures relating to loan applications dealt with during the last two years, are given below:—

	During the year ended 30-6-1954		During the year ended 30-6-1955	
	No.	Amount Rs.	No.	Amount Rs.
Applications received ..	48	9,00,70,000	46	11,27,00,000
Applications sanctioned ..	29	5,27,05,000	27	7,34,00,000
Applications rejected ..	27	2,21,00,000	18	2,93,25,000
Applications under consideration at the end of the year ..	17	5,11,25,000	7	2,34,00,000
Applications treated as lapsed or withdrawn ..	11	1,22,11,000	11	3,50,00,000

The aggregate amount of the loans applied for during the year under review was the highest and the total number of applications received during the year also compared favourably with that of last year.

The 46 applications received during the year for loans aggregating Rs. 11,27,00,000/- covered a variety of industries, including Cotton Textiles, Chemicals, Cement, Sugar, Automobile and Paper. The loans were required both for setting up new industry and for raising the existing installed capacity; for renovation and modernisation and for conversion of uneconomic units into economic ones.

The Corporation received during the year applications for loans from two new co-operative societies, formed by producer-farmers in the Deccan, for setting up sugar-manufacturing units, each with a crushing capacity of 800/1000 tons of sugarcane a day. The loans sanctioned to them amounted to Rs. 83,00,000/-. The Corporation also sanctioned an additional loan of Rs. 36 lakhs to another co-operative sugar factory in the Deccan, which had already gone into production with the assistance received from the Corporation earlier. The additional loan was required for installing a new plant with a crushing capacity of 1000/1200 tons of sugarcane a day, in place of the existing one of 400/450 tons' capacity.

The position as regards the actual commitments of the Corporation for the loans sanctioned and availed of was as under:—

In the previous Annual Reports of the Corporation, attention was drawn to the cases where, for various reasons, some concerns declined the loans sanctioned to

them while others did not avail themselves of the loans in full; some others could not fulfil some of the important conditions and the loans sanctioned to them were, therefore, not disbursed. On 30th June 1955, the loans sanctioned by the Corporation aggregated Rs. 28,07,75,000/-, out of which Rs. 14,52,96,304/- represents the amount that had been disbursed so far. The balance of Rs. 13,54,78,696/- is accounted for by (a) loans sanctioned which were subsequently declined by the applicants, of the order of Rs. 3,77,74,200/-, (b) loans sanctioned but subsequently withheld, amounting to Rs. 1,15,18,000/-, and (c) loans sanctioned but awaiting disbursement, amounting to Rs. 8,61,86,496/-. Of this last mentioned amount Rs. 2.3 crores represent loans sanctioned during the three months immediately preceding the last date of the year under review.

The applications sanctioned during the year related to a variety of industries. The types of industries and the amount of accommodation sanctioned for each industry are given below, together with the aggregate for the previous years.

CLASSIFICATION OF LOANS AND ADVANCES SANCTIONED "INDUSTRY-WISE"

Type of Industry	Amount sanctioned during the year ended 30th June 1955 Rs.	Amount sanctioned upto the year ended 30th June 1954 Rs.	Total Rs.
Textile Machinery ..	..	64,00,000	64,00,000
Mechanical Engineering ..	..	73,00,000	73,00,000
Electrical Engineering ..	7,50,000	1,29,20,000	1,36,70,000
Cotton Textiles ..	1,04,50,000	3,07,25,000	4,11,75,000
Woolen Textiles ..	..	35,00,000	35,00,000
Rayon Industry ..	80,00,000	50,00,000	1,10,00,000
Chemicals ..	37,50,000	2,43,75,000	2,81,25,000
Cement ..	80,00,000	2,35,00,000	3,15,00,000
Ceramics & Glass ..	10,50,000	1,35,00,000	1,45,50,000
Oil Mills ..	..	6,50,000	6,50,000
Electric Power ..	..	42,75,000	42,75,000
Metallurgical Industry (Non-ferrous metals) ..	..	35,00,000	35,00,000
Iron & Steel (Light Engineering) ..	11,00,000	1,12,50,000	1,23,50,000
Aluminium ..	..	50,00,000	50,00,000
Sugar Industry ..	2,38,00,000	2,05,50,000	4,43,50,000
Mining ..	..	37,00,000	37,00,000
Paper Industry ..	1,07,50,000	2,01,00,000	3,11,50,000
Automobile and Tractor Industry ..	62,50,000	50,00,000	1,12,50,000
Unclassified ..	15,00,000	58,30,000	73,30,000
	7,34,00,000	20,73,75,000	28,07,75,000

A consolidated statement showing the loans sanctioned to the various types of industries and how they are distributed over the several states of the Union is given in Appendix 'A'.

Appendix 'B' shows an analysis of the total advances sanctioned by amounts.

During the last seven years, 86 applications from new undertakings, i.e., factories that went into production after the 15th August 1947, were sanctioned, covering amounts aggregating Rs. 15,22,50,000/-.

During the same period, 78 applications from old established undertakings for renovation, modernisation and expansion were sanctioned. The loans sanctioned to them amounted to Rs. 12,85,25,000/-.

Separate figures for each of the seven years are given in Appendix 'C'.

A statement showing the total amount of loans sanctioned by the Corporation since its inception up to the end of each of the last seven years and the total amounts actually disbursed by the Corporation at the end of each year is given below:

	Total amount of loans sanctioned Rs.	Total amount of loans disbursed Rs.
As at the end of 30th June 1949 ..	3,42,25,000	1,32,89,813
As at the end of 30th June 1950 ..	7,19,25,000	3,40,74,812
As at the end of 30th June 1951 ..	9,58,20,000	5,78,65,800
As at the end of 30th June 1952 ..	14,03,45,000	7,57,03,800
As at the end of 30th June 1953 ..	15,40,70,000	10,06,79,800
As at the end of 30th June 1954 ..	20,73,75,000	12,88,65,752
As at the end of 30th June 1955 ..	28,07,75,000	14,52,96,304

A statement showing the names of the companies to whom the Corporation sanctioned loans since the 1st July 1954 up to the 30th June 1955, is given in Appendix 'D'.

Criteria applied by the Corporation in sanctioning loans—As mentioned in the last Annual Report, in sanctioning loans, the Corporation considers all the relevant aspects of a proposal such as, soundness of the scheme, competency of the management, profit earning capacity and ability to repay the loan.

Progress of repayments—The total amount of interest to be received on the loans sanctioned since the inception of the Corporation was Rs. 2,06,60,172/4/7, out of which a sum of Rs. 1,91,62,972/13/4 was actually received. Eight companies had defaulted in the payment of interest aggregating Rs. 14,51,846/7/9. One company has been granted extension of time to pay the arrears of interest amounting to Rs. 45,352/15/6.

According to the schedules of repayment of principal, the total amount due to the Corporation was Rs. 1,51,51,000/-, out of which a sum of Rs. 1,08,04,000 was received, and extension of time was granted to four companies to repay the instalments aggregating Rs. 7,90,000/-. Fourteen companies defaulted in the payment of instalments of principal aggregating Rs. 35,57,000/-. Extra repayments to the extent of Rs. 1,31,16,881/-/11 were received, which included the repayment of the loans in full made by four companies.

General reviews of Development of Industries particularly in the fields in which the Corporation has advanced loans—The Government of India have given a directive that the Corporation's Annual Reports should contain general reviews of development of industries particularly in the fields in which the Corporation has advanced loans. A review of this kind has been attempted for the first time this year, and is incorporated as Appendix 'E' to this Report. In this connection it is necessary to invite attention to the fact that whereas the Corporation has the means of collecting information bearing on the progress of the particular concerns to which it has granted loans, a review of the general progress made in each particular type of industry in the country as a whole requires data of which the Corporation has no direct or first hand knowledge. In the review that has been attempted in Appendix 'E', therefore, the Corporation has had to rely on the material contained in the reports and publications of certain external bodies.

Concerns whose management/possession has been taken over by the Corporation—It was stated in the last Annual Report that the management of the Sodepore Glass Works Limited had been taken over by the Corporation under the provisions of Section 28 of the I. F. C. Act, 1948. It was also mentioned that the manner in which this factory could be brought to economic use and the advances made by the Corporation adjusted was receiving the Board's consideration.

The Board of Directors came to the conclusion that it was not possible for the Corporation to run the concern without incurring a loss every year. The alternative of handing over the concern to the Ministry of Production of the Government of India was also considered, but the Corporation was advised that that Ministry were not prepared to take over the factory. In the circumstances the Board decided to dispose of the concern in the best manner possible. Accordingly, it was decided that the entire assets of the concern should be sold to a reputed firm of glass manufacturers whose head office is in Tokyo, and who have agreed to set up an Indian company to run the factory.

The working of a few other companies which have taken loans has also proved unsatisfactory and the Corporation has had to take over the possession of their assets in terms of the mortgage Deeds executed by them. The number of such companies is four. Three of these companies have stopped production while one of them is maintaining production on a restricted scale. The manner in which these companies should be enabled to re-start production, if possible, and the amount due to the Corporation adjusted, is engaging the attention of the Board of Directors.

Government's resolution on the Sodepore Glass Works Limited—The Resolution No. F. 2(34), F. III/55 dated the 4th June 1955 issued by the Government of India in the Ministry of Finance, recording their conclusions on the loan transaction relating to Sodepore Glass Works Limited is reproduced in Appendix 'G'.

State Financial Corporations—During the year under review, five more State Financial Corporations were established in Assam, Uttar Pradesh, Bihar, Rajasthan and Madhya Bharat—raising the total number of State Financial Corporations to eleven.

The Corporation has been giving the required assistance and guidance to the State Financial Corporations. In some cases, at the request of the State Corporations their officers were afforded facilities to acquaint themselves with the working of the Central Corporation. The Managers of the Corporation are being nominated as Directors on the Boards of those institutions. The Corporation's nominees have also been elected to serve on the Executive Committee of the Boards of six State Corporations.

In August 1954, a Conference of the representatives of the State Financial Corporations was held at Bombay under the auspices of the Reserve Bank of India, to consider *inter alia*, the question of demarcating the spheres of activity of the Central and State Financial Corporations. The Managing Director of the Central Corporation as also a representative of the Ministry of Finance partook in the discussions. As a result of the deliberations, it was agreed that applications for loans upto Rs. 10 lakhs, or 10 per cent of the paid-up capital of the State Financial Corporations, whichever was less, should be dealt with by the State Financial Corporations.

Further amendments to the I. F. C. Act—With a view mainly to implementing the Government's decision on the recommendations of the I. F. C. Enquiry Committee dealing with Administrative and Organisational matters, a Bill further to amend the I. F. C. Act was introduced in the Lok Sabha on the 12th April 1955. The important provisions of the Bill are:—

- (1) Extension of the Act to the State of Jammu and Kashmir.
- (2) Establishment of a Central Committee in place of the existing Executive Committee.
- (3) Appointment of a stipendiary Chairman to be assisted by a General Manager, in place of the Honorary Chairman and a paid whole-time Managing Director.
- (4) Empowering the Corporation to borrow money from the Central Government.
- (5) Removal of the limitation, with the permission of the Central Government, in respect of the period up to which the Corporation may hold any stock, shares, bonds or debentures, in fulfilment of its underwriting liabilities.
- (6) Right of the Corporation to lease the property pledged or mortgaged to it.
- (7) Regulations governing the pay, allowances and conditions of service of officers and other employees and of advisers and agents of the Corporation, to be framed under the Act.

The Bill also seeks to widen the definition of "industrial concern" given in the I. F. C. Act as also in the State Financial Corporations Act, with a view to enabling the industrial concerns formed with the object of engaging in the manufacture or processing of goods, to become eligible for loans.

Acknowledgement of Assistance Received—The Board have great pleasure in placing on record their appreciation of the advice received from the various Ministries of the Government of India, such as the Ministry of Commerce and Industry, Food and Agriculture, etc.

The Board are also thankful to the members who have served on the Ad Hoc Committees for Sugar, Engineering, Textiles and Chemicals, and for their valuable advice.

By order of the Board
H. V. VENKATASUBBIAH
Managing Director

APPENDIX 'A'

Statement Showing Industrywise Distribution of Loans Sanctioned by the Industrial Finance Corporation of India upto 30th June 1955 in each State
(000's omitted.)

Type of Industry	Assam	Bom- bay	Bihar	Madhya Pradesh	Punjab	Madras	Andhra	Orissa	Uttar Pradesh	West Bengal	Rajasthan	Saurashtra	Madhya Bharat	Travan- core- Cochin	Mysore	Hyderabad	Delhi and other part C States	Total	No. of Units
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Textile Machinery	14,00,	..	..	..	..	..	..	..	50,00,	..	..	..	..	..	..	..	64,00,	(2)
Mechanical Engineering	31,50,	..	..	..	..	..	..	..	38,50,	..	..	..	..	3,00,	..	..	73,00,	(5)
Electrical Engineering	71,70,	12,00,	..	..	..	..	..	..	19,00,	7,50,	..	..	10,50,	16,00,	..	..	1,36,70,	(12)
Cotton Textiles	46,50,	..	33,75,	38,00,	26,00,	4,00,	65,00,	40,50,	51,00,	30,00,	..	..	7,00,	30,00,	20,00,	20,00,	4,11,75,	(23)
Woolen Textiles	10,00,	..	..	..	..	..	..	25,00,	..	..	..	..	..	35,00,	(3)
Rayon Industry	1,10,00,	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,10,00,	(1)
Chemicals	40,00,	..	..	10,00,	35,00,	..	..	4,50,	61,75,	..	65,00,	..	65,00,	..	..	..	2,81,25,	(13)
Cement	95,00,	..	..	70,00,	..	1,00,00,	..	..	..	50,00,	..	..	..	..	..	3,15,00,	(5)
Ceramics & Glass	23,00,	73,50,	8,00,	..	..	..	..	..	34,00,	..	..	..	5,00,	4,00,	..	..	1,45,50,	(9)
Oil Mills	4,00,	..	..	..	..	..	..	2,50,	..	..	..	..	..	..	..	..	6,50,	(2)
Electric Power	8,50,	..	..	..	..	9,00,	..	25,25,	..	..	..	..	..	..	..	42,75,	(4)
Metallurgical Industry (Non-Fer- rous Metals).	..	30,00,	..	..	..	..	..	..	..	5,00,	..	..	..	..	..	..	..	35,00,	(2)
Iron & Steel (Light Engineering)	41,00,	12,50,	..	12,50,	3,50,	..	..	..	54,00,	..	..	..	..	..	..	..	1,23,50,	(9)
Aluminium	50,00,	..	..	..	..	..	..	..	50,00,	(1)
Sugar Industry	2,18,00,	7,50,	..	40,00,	93,00,	..	..	45,00,	..	..	..	..	..	..	40,00,	..	4,43,50,	(13)
Mining	37,00,	..	..	..	..	..	..	37,00,	(1)
Paper Industry	1,24,00,	90,00,	..	..	..	..	..	15,00,	..	..	..	..	25,00,	57,50,	..	..	3,11,50,	(8)
Automobile & Tractor Industry	1,12,50,	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,12,50,	(2)
Unclassified	31,70,	..	..	..	5,00,	..	..	23,10,	..	..	..	3,50,	..	10,00,	..	..	73,30,	(10)
	..	8,97,90,	2,99,00,	39,75,	1,10,50,	2,32,50,	4,00,	1,74,00,	1,30,60,	3,88,50,	74,50,	1,40,00,	3,50,	1,12,50,	1,20,50,	60,00,	20,00,	28,07,75,	(125)
No. of Units Statewise	38	10	3	7	8	1	3	11	2	3	3	1	6	8	2	1		(125)

RAYON INDUSTRY.

The total amount sanctioned to one unit under this industry is shown as Rs. 1,10,00,000/-. The position is that a concern was sanctioned a loan of Rs. 50 lacs. It applied for a second loan of Rs. 60 lakhs when the amount due against the first loan of Rs. 50,00,000 was reduced to Rs. 40,00,000 and, therefore, the total commitments of the Corporation to this concern did not exceed Rs. one crore at the time of sanction of the second loan of Rs. 60,00,000/-.

APPENDIX 'B'

Statement showing classification of loans sanctioned by the Industrial Finance Corporation of India, as on 30th June 1955

(According to amounts sanctioned on each application)

	No. of Applications	Amount
		Rs.
(i) Loans not exceeding Rs. 10 lakhs	85	4,76,25,000
(ii) Loans exceeding Rs. 10 lakhs but not exceeding Rs. 20 lakhs.	38	5,86,50,000
(iii) Loans exceeding Rs. 20 lakhs but not exceeding Rs. 30 lakhs.	14	3,80,00,000
(iv) Loans exceeding Rs. 30 lakhs but not exceeding Rs. 40 lakhs.	10	3,84,00,000
(v) Loans exceeding Rs. 40 lakhs but not exceeding Rs. 50 lakhs.	13	6,31,00,000
(vi) Loans exceeding Rs. 50 lakhs but not exceeding Rs. 60 lakhs.	1	60,00,000
(vii) Loans exceeding Rs. 60 lakhs but not exceeding Rs. 70 lakhs.	..	..
(viii) Loans exceeding Rs. 70 lakhs but not exceeding Rs. 80 lakhs.	..	..
(ix) Loans exceeding Rs. 80 lakhs but not exceeding Rs. 90 lakhs.	1	90,00,000
(x) Loans exceeding Rs. 90 lakhs but not exceeding Rs. 1 crore.	2	2,00,00,000
	164	28,07,75,000

APPENDIX 'B'—contd.

Statement showing Classification of loans sanctioned by the Industrial Finance Corporation of India, as on 30th June 1955

(According to the amounts sanctioned to each industrial concern)

	No. of Companies	Amount
		Rs.
(i) Loans not exceeding Rs. 10 lakhs.	47	2,69,25,000
(ii) Loans exceeding Rs. 10 lakhs but not exceeding Rs. 20 lakhs.	35	5,28,45,000
(iii) Loans exceeding Rs. 20 lakhs but not exceeding Rs. 30 lakhs.	14	3,68,25,000
(iv) Loans exceeding Rs. 30 lakhs but not exceeding Rs. 40 lakhs.	9	3,24,00,000
(v) Loans exceeding Rs. 40 lakhs but not exceeding Rs. 50 lakhs.	9	4,31,00,000
(vi) Loans exceeding Rs. 50 lakhs but not exceeding Rs. 60 lakhs.	2	1,17,00,000
(vii) Loans exceeding Rs. 60 lakhs but not exceeding Rs. 70 lakhs.	4	2,62,00,000
(viii) Loans exceeding Rs. 70 lakhs but not exceeding Rs. 80 lakhs.	..	..
(ix) Loans exceeding Rs. 80 lakhs but not exceeding Rs. 90 lakhs.	1	90,00,000
(x) Loans exceeding Rs. 90 lakhs but not exceeding Rs. 1 crore.	3	5,00,00,000
(xi) Loans exceeding Rs. 1 crore but not exceeding Rs. 1 crore 10 lakhs.	1*	1,10,00,000
	155	28,07,75,000

* A concern was sanctioned a loan of Rs. 50 lakhs. It applied for a second loan of Rs. 60 lakhs when the amount due against the first loan of Rs. 50 lakhs was reduced to Rs. 40 lakhs and, therefore, the total commitments of the Corporation to this concern did not exceed Rs. one crore at the time of sanction of the second loan of Rs. 60 lakhs.

APPENDIX 'C'

Classification of loans and advances sanctioned by the Industrial Finance Corporation of India, since inception upto 30th June 1955, according to new and old undertakings

During the year ended.	New undertakings*		Old undertakings		Total	
	No. of applications	Amount	No. of applications	Amount	No. of applications	Amount
		Rs.		Rs.		Rs.
30-6-1949	14	2,15,75,000	7	1,20,50,000	21	3,42,25,000
30-6-1950	8	1,04,50,000	15	2,12,50,000	23	3,77,00,000
30-6-1951	11	1,65,45,000	6	73,50,000	17	2,38,95,000
30-6-1952	17	1,93,50,000	16	2,51,75,000	33	4,45,25,000
30-6-1953	6	41,50,000	8	1,01,75,000	14	1,43,25,000
30-6-1954	12	1,89,30,000	17	3,37,75,000	29	5,27,05,000
30-6-1955	18	5,52,50,000	9	1,81,50,000	27	7,34,00,000
Total	@ 86	15,22,50,000	@ 78	12,85,25,000	164	28,07,75,000

* Factories which went into production after the 15th August, 1947 have been classified as New undertakings.

@ These applications relate to loans sanctioned to 60 companies.

@@ These applications relate to loans sanctioned to 65 companies.

Total number of companies to whom loans were sanctioned during the last 7 years 125

APPENDIX 'D'

Statement of loan application sanctioned by the Industrial Finance Corporation of India, New Delhi, from 1-7-54 to 30-6-55

Serial No.	Name of the Company	Location of the Factory		Amount of Loan Sanctioned		Purpose for which sanctioned
		Place	State	New Undertakings	Old Undertakings	
1	India Cements Ltd.,	Talalayuthu	Madras	Rs. 30,00,000 (Additional)	Rs. ..	For the implementation of their expansion scheme for increasing their already installed capacity to manufacture cement from 1 lac tons to 1.6 lac tons per annum.
2	National Rayon Corporation Ltd.	Mohane, Taluka Kalyan, Distt: Thana.	Bombay	55,00,000 (Additional)	..	For increasing the capacity of the rayon plant by the addition of 20 spinning frames and other accessories.
3	Kopergaon Sahakari Sakhar Karkhana Ltd.	Kopergaon, Distt Ahmednagar.	Bombay	40,00,000	..	To put up a new Sugar Factory at Kopergaon on the Godavari Canal in Ahmednagar Distt : of Bombay State with a crushing capacity of 800/1000 tons of sugarcane per day.

APPENDIX 'D'—contd.

Serial No.	Name of the Company	Location of the Factory		Amount of Loan Sanctioned		Purpose for which sanctioned
		Place	State	New Undertakings	Old Undertakings	
				Rs.	Rs.	
4	Orissa Textile Mills Ltd.	P.O. Chowdwar	Orissa	15,00,000 (Additional)	..	For additional plant and machinery with a view to improving the quality of cloth manufactured by the Company and to balance their production.
5	Ugar Sugar Works Ltd.	Ugar Khurd, Southern Rly. Distt. Belgaum.	Bombay	..	20,00,000	For implementing their expansion scheme by the installation of a new milling plant to raise their crushing capacity from 500 tons to 800 tons of sugarcane per day and for purchase of agricultural machinery.
6	Kapila Textile Mills Ltd.	Nanjangud	Mysore	15,00,000	..	For the implementation of their scheme of replacement and renovation of their existing unit with a view to acquire better efficiency.
7	Thiru Arooran Sugars Ltd.	Vedapathi Mangalam, Tanjore Distt.	Madras	50,00,000	..	For the setting up of a sugar factory with a daily crushing capacity of 1000/1200 tons of sugarcane.
8	Steel and Allied Products Ltd.	Calcutta	West Bengal	6,00,000	..	To implement their scheme to expand their present rated capacity for the manufacture of wood screws from 35,000 gross to 1,05,000 gross per month.
9	Cauvery Spg. & Wvg. Mills Ltd.	Vellalur	Madras	6,50,000 (Additional)	..	For the implementation of their expansion scheme envisaging the addition of 7200 spindles to their existing unit.
10	Associated Pigments Ltd.	Calcutta & P. O. Sukchar.	West Bengal	2,50,000 (Additional)	..	For meeting the additional cost of a two-furnace plant for the manufacture of Zinc Oxide with a monthly capacity of 70 to 80 tons as against 25/30 tons originally proposed.
11	Saraswati Sugar Syndicate Ltd.	Yamuna Nagar	Punjab	..	40,00,000	For the implementation of their expansion scheme to install a new milling plant with a view to raise their crushing capacity from 1000 to 2250 tons of sugarcane per day.
12	Jaipur Metals and Electricals Ltd.	Jaipur	Rajasthan	..	7,50,000	For implementation of their scheme to manufacture 7000 house service motors per month in progressive stages.
13	Pravara Sahakari Sakhar Karkhana Ltd.	Loni Bank	Bombay	36,00,000 (Additional)	..	For the installation of a new milling plant with a daily crushing capacity of 1000/1200 tons.
14	Atlas Cycle Industries Ltd.	Sonepat	Punjab	5,00,000 (Additional)	..	For the implementation of their scheme to take up the manufacture of certain components hitherto being imported and to replace certain obsolete machinery by upto date and modern machinery.
15	Punjab Cloth Mills Ltd.	Bhiwani	Punjab	..	17,00,000	For the implementation of their expansion scheme to add 9000 spindles and 225 looms to their existing complement of 11000 spindles and 275 looms, with a view to make their mill an economic one.
16	Rahuri Sahakari Sakhar Karkhana Ltd.	Deolali-Pravra, Taluka Rahuri	Bombay	43,00,000	..	For establishing a sugar factory with a crushing capacity of 800/1000 tons of sugarcane per day.
17	Premier Automobiles Ltd.	Bombay	Bombay	50,00,000 (Additional)	..	For the implementation of their scheme to undertake the progressive manufacture of the components of the small flat car 1100 C.

APPENDIX 'D'—contd.

Serial No.	Name of the Company	Location of the Factory		Amount of Loan Sanctioned		Purpose for which sanctioned
		Place	State	New Undertakings	Old Undertakings	
				Rs.	Rs.	
	National Rayon Corporation Ltd.	Mohane, Taluka Kalyan, Distt. Thana.	Bombay	5,00,000 (Additional)	..	To meet the increased cost of their expansion scheme in respect of rayon plant.
18	J. K. Cotton Manufacturers Ltd.	Kanpur	U.P.	..	15,00,000	For the implementation of their scheme to install a special type of plant of German make for the manufacture of flannel-ettes, lint and other types of cotton cloth by utilizing cotton wastes and tailor cutting of cloth, rayon and woollen cloth.
19	Ajudhia Textile Mills Ltd.	Delhi	Delhi	..	20,00,000	For the implementation of their scheme to install a complete spinning unit consisting of 12,000 spindles, with a view to making their existing weaving unit equipped with 307 power looms, as economic one.
20	Mysore Paper Mills Ltd.	Bhadravati	Mysore	..	7,50,000 (Additional)	For meeting the increase in the cost of the original scheme of expansion for which a loan of Rs. 50 lacs had been sanctioned to them and for the acquisition of certain additional equipments.
21	Bhawani Utkal Cotton Mills Ltd.	Hissar	Punjab	21,00,000	..	To set up a spinning mill in Punjab (India) with a complement of 24,000 spindles, of which 12,000 spindles will be installed in the first stage of the scheme.
22	Behar Firebricks and Potteries Ltd.	Migma Nirsha Thana. (Dhanbad sub-Dn.)	Behar	..	10,50,000	For the implementation of their scheme to manufacture 6,000 tons of silica bricks per annum.
23	The Automobile Products of India Ltd.	Bhandup Bombay.	Bombay	12,50,000	..	For the implementation of their scheme to set up a plant for the manufacture of moulded wire backed brake linings.
24	J. K. Chemicals Ltd.	Salt Pan Road, Rowli Hill, Wadala (Bombay).	Bombay	..	35,00,000	For acquisition of fixed assets with a view to undertake additional lines of manufacture of Sodium Hydro-Sulphite and other allied chemicals such as caustic soda, liquid chlorine liquid Sulphur Dioxide, Hydrochloric Acid, Calcium Hypochlorite etc.
25	West Coast Paper Mills Ltd.	Dandeli (North Kanara Distt.)	Bombay	1,00,00,000	..	To establish a factory at Dandeli (Distt. North Kanara for the manufacture of white printing and writing paper and M. G. Kraft paper with a capacity of 15,000 tons per annum.
26	Bengal Fine Spg. and Wvg. Mills Ltd.	Konnagar (Hooghly).	West Bengal	10,00,000 (Additional)	..	For the implementation of their expansion scheme to install further 11,300 spindles, bringing the total spindleage of the mill to 25,000.
27	Ashoka Cement Ltd.	Dalmianagar	Behar	50,00,000	..	For the establishment of cement factory with a capacity of 2,50,000 tons per annum at Dalmianagar (Bihar).
			Total ..	(18) 5,52,50,000	(8) 1,81,50,000	
28	Loan applications sanctioned upto 30-6-1954 as per sixth Annual Report		per sixth Annual ..	(68) 9,70,00,000	(69) 11,03,75,000	
				(86) 15,22,50,000	(78) 12,85,25,000	

NOTE.—A list of the advances sanctioned by the Corporation since its inception upto the 30th June 1954, has been furnished in Appendix D of the Sixth Annual Report of the Corporation.

APPENDIX 'E'

General reviews of development of industries particularly in the fields in which the Corporation has Advanced Loans—The general index of industrial production in the country (1946–100) rose from 105 in 1950 to 135.3 in 1953 and to 146.5 in 1954. The index was at its peak in March 1955 it being 162.9. There was substantial increase in production, both in agriculture and in industry. The general index of prices dropped from 399.6 in January 1954 to 367.8 in December 1954. This has further shown a drop—it being 362.0 in August 1955. This increase covered a variety of industries including principally cloth, cement, steel and chemicals. Several engineering industrial concerns manufacturing bicycles, sewing machines, power transformers, hurricane lanterns etc., had to work more than one shift. The chemical industry recorded all-round improvement in production. The demand for goods increased on account of increase in agricultural production and general economic improvement and this development incidentally was responsible for the increase in production. Generally, the demand for goods kept pace with the increase in production. The Corporation advanced loan to several concerns in some of the more important industries mentioned above; the following is a brief resume of the progress made in the fields in which the Corporation advanced loans:

Chemicals—The installed capacity of heavy chemicals e.g., Sulphuric acid, soda ash, caustic soda and of fertilizers, dye-stuff etc., increased during 1954. The production capacity of soda ash increased from 54,000 to 90,000 tons. Three additional plants with a total capacity of 520 tons per day have been licenced. When these new units are established, it is expected, that the estimated future demand of over 200,000 tons of soda ash per annum will be satisfactorily met from indigenous sources. The capacity of the caustic soda industry which is about 42,000 tons at present will be stepped upto 106,000 tons when the new schemes under way are completed. There was a steep rise in the demand for fertilizers and the consumption of ammonium sulphate rose from 450,000 tons in 1953 to 600,000 tons in 1954, which is far in excess of the existing capacity of 425,000 tons in the country. The pharmaceutical industry made considerable progress in recent years.

13 Units of the industry were sanctioned loans aggregating Rs. 2,81,25,000 by the Corporation and 11 units have already availed of the loans to the extent of Rs. 2,07,89,300 upto date. The balance due from them was Rs. 1,78,51,400 as on 30-6-1955.

The more important products manufactured by these concerns and the actual production reached by them were as follows:—

Products	Actual Production 1954-55
	Tons
Sulphuric Acid	37,100
Fertilizers	47,100
Caustic Soda	4,800
Liquid Chlorine	2,000
Soda Ash	10,300
Sulphate of Alumina	1,900

Ceramics and Glass—The installed capacity of the Sheet glass industry rose from 75.6 million sq. ft. in 1953 to 100.6 million sq. ft. in 1954 and the actual production increased from 22.70 million sq. ft. in 1953 to 33.11 million sq. ft. in 1954. A new Sheet glass factory went into production in July 1954 and sheetglass of 10/12 oz. gauge was manufactured in the country for the first time. The production of ceramics including whiteware increased during the year, whereas that of refractories remained steady.

Nine units of the industry were sanctioned loans aggregating Rs. 1,45,50,000 by the Corporation and 8 of them have already availed of the loans to the extent of Rs. 1,27,77,500 upto date. The more important products manufactured by these units and the actual annual production were as follows:—

Products	Actual Production 1954-55
Stone-ware	1,500 tons
Glass Holloware	9,200 tons
Enamelware	3,04,000 sq. ft.
Insulators and Crockery	Rs. 71,21,000

Cotton Textiles—The total production of mill cloth and handloom and power loom cloth during 1954 was about 5,000 million yards and 1,600 million yards respectively. The production of mill yarn in 1954 was 1,560 million lbs.

Satisfactory export demand, steady consumption of cloth within the country and satisfactory supply position of cotton to the mills were the important features in the industry. Higher production and pressure of competition in a buyers' market, however, led to several mills with old and worn out machinery and unbalanced equipment suffering losses and some of them subsequently closing down.

The Corporation sanctioned loans to 23 units of the industry aggregating Rs. 4,11,75,000 and 9 of the units have already availed of the loans to the extent of Rs. 1,56,33,000 upto date. The balance due from them as on 30-6-1955 amounted to Rs. 1,31,84,300. The total number of spindles and looms of these units and their actual annual production were as follows:—

Number of spindles	1,70,300
Number of looms	2,243
Production of Cotton Cloth (1954-55)	51.09 million yards
Production of Cotton Yarn (1954-55)	14.99 million lbs.
Production of Staple Yarn (1954-55)	1.91 million lbs.

Woollen Textiles—3 units of this industry were sanctioned loans aggregating Rs. 35,00,000 and 2 of them with a total of 11,980 spindles and 144 looms have already availed of the loans to the extent of Rs. 32,00,000 upto date. The balance due from them as on 30th June 1955 was Rs. 18,91,500. Their total production was 8,28,000 lbs. of woollen yarn, 4,38,000 yards of woollen and worsted cloth and 34,000 pieces of shawls and rugs.

Sugar—This industry experienced a decline in production in 1954 (Season 1953-1954). The actual production of sugar in 1953-54 was about 1 million tons as against 1.34 million tons in 1952-1953 and 1.48 million tons in 1951-1952. The decline is attributed to the reduction in the cane acreage from about 4.8 million acres in 1951-1952 to about 3.6 million acres in 1953-1954 and the diversion of a large quantity of sugar cane from sugar to gur which commanded higher prices. The consumption, on the other hand, is reported to have increased from 1.17 million tons in 1951-52 to 1.82 million tons in 1953-54. The year 1954-55 is, however, reported to have been good but no figures of production are yet available.

The Corporation sanctioned loans aggregating Rs. 4,43,50,000 to 13 units of the industry and 8 of them have already availed of loans aggregating Rs. 1,44,00,000 upto date. The balance due from them as on 30-6-55 was Rs. 1,21,00,000.

Cement—The Cement Industry recorded significant progress during 1954. The actual production during the year was 4.39 million tons as against the total installed capacity in the country of 4.53 million tons and as against the previous year's production of 3.78 million tons. Several new schemes which are in progress are expected to take the installed capacity to 7.70 million tons on their completion and this increased capacity, it is expected, will largely meet the increased demand for cement in the country. Export markets for cement are also gradually developing.

The Corporation sanctioned loans aggregating Rs. 3,15,00,00 to 5 units of the industry and 3 of them have already availed of the loans to the extent of Rs. 1,16,00,000 upto date. The balance due from them as on 30-6-1955 was Rs. 1,00,00,000. The production of these units reached 3,97,000 tons.

Paper and Board—The per capita consumption of paper in India has been steadily rising. The corresponding increase in production in the industry was from about 109,000 tons in 1950 to about 155,000 tons in 1954. The total installed capacity in the industry at present is about 174,000 tons and with the implementation of new schemes which are already in progress and which have since been sanctioned, the installed capacity is expected to exceed 287,000 tons by the end of 1956.

The Corporation sanctioned loans aggregating Rs. 3,11,50,000 to 8 units of the industry and 5 of them have already availed of the loans to the extent of Rs. 98,00,000 upto date. The balance due from them as on 30th June 1955 was Rs. 97,47,600. The annual production reached by these units was 19,000 tons.

Light Engineering (Iron and Steel)—Light Engineering (iron and steel) industries like cycles, steel foundries, woodscrews, etc. recorded a notable increase in production during 1954. The production of cycles rose from 264,000 units in 1953 to 372,360 units in 1954, the latter representing 85 per cent of the installed capacity. The total production of steel foundries in 1954 was 14,000 tons as against the installed capacity of about 15,000 tons. The production of steel wire ropes was established for the first time in the country in 1954.

The Corporation sanctioned loans aggregating Rs. 1,23,50,000 to 9 units of the industry and 7 of them have already availed of the loans to the extent of Rs. 91,00,000 upto date. The balance due from them as on 30th June 1955 was Rs. 88,75,400. The more important products manufactured by these units and the actual production recorded by them were as follows:—

Products	Actual Production 1954-55
Cycles	124,000 nos.
Steel castings	2,700 tons.
Steel bars, rods and wires	23,500 tons.
Wood screws	414,400 gross.

Electrical Engineering—The production of electric motors has risen nearly five times since Independence, i.e., from about 37,000 h.p. in 1947 to about 1,87,000 h.p. in 1954. The total installed capacity in the electric motor industry is about 2,00,000 h.p. per annum. The production of transformers also increased nearly four times from 1,09,000 K.V.A. in 1949 to 4,00,000 K.V.A. in 1954. The total installed capacity in the transformer industry is 5,62,000 K.V.A. per annum. The indigenous transformer industry has been gradually expanding in an endeavour to meet the increasing demand.

The Corporation sanctioned loans aggregating Rs. 1,36,70,000 to 12 units of the industry, of whom 8 units have already availed of loans to the extent of Rs. 86,86,500 upto date. The balance due from them as on 30th June 1955 was Rs. 68,26,400. The principal products manufactured by these units, and the actual production recorded by them were as follows:—

Products	Actual Production 1954-55
Electric motors	71,000 h.p.
Transformers	1,33,000 K.V.A.
Electric fans	88,000 nos.

Textile Machinery—The production of textile machinery like ring frames, carding engines, bleaching, dyeing and finishing machinery increased during 1954, the production of carding engines having been doubled. The manufacture of complete ring spinning frames was also established during 1954. On account of the restrictions on the installation of new automatic looms, production of looms remained almost stationary. The actual production of looms in 1954 was 1,970 as against 2,086 in 1953 and against the installed capacity of 4,200 looms.

The Corporation sanctioned loans aggregating Rs. 64,00,000 to 2 units of the industry, and both of them availed of the loans fully. The balance due from them as on 30th June 1955 was Rs. 57,75,000. One of the units is engaged in the manufacture of carding engines. The actual production in 1954 of this unit was 436 carding engines. The other unit is engaged in the manufacture of healds and reeds against specific orders and also in the manufacture of cotton yarn.

Aluminium—During 1954, ingot capacity for Aluminium increased from 4,000 to 7,000 tons and the rolling capacity by 5,500 tons. Aluminium wire bars for A.C.S.R. were manufactured in the country for the first time in 1954.

Only one concern in this industry was sanctioned a loan of Rs. 50,00,000 and the loan was availed of fully. The balance due from the concern was also Rs. 50,00,000 as on 30th June 1955. The actual production recorded by the unit was as follows:—

Products	Actual Production 1954-55
Aluminium ingots	2107 tons
Aluminium sheets and coils	1317 tons

Automobiles and Tractors—The production of automobiles during 1954 was slightly lower than in 1953; but the production in the ancillary industries such as pistons, piston rings, cylinder lines, spark plugs, etc., was higher in 1954 than in 1953. Five schemes for the manufacture of automobile components were sanctioned by Government during 1954. A more rapid development of the automobile industry has not been possible due to the comparatively low level of demand, but the Government is understood to be taking necessary steps to develop the demand. The total manufacturing capacity of six units whose schemes for the progressive manufacture of automobiles have so far been sanctioned by the Government of India is 40,000, automobiles per annum and the actual production reached during 1954, was 14,462 automobiles.

Two of the units in this industry were sanctioned loans aggregating Rs. 1,12,50,000 by the Corporation. One of them has already availed of the loan to the extent of Rs. 50,00,000 upto date and the balance due from it as on 30th June 1955 was also Rs. 50,00,000. The total approved capacity of this unit for the assembly and gradual manufacture is 6,900 automobiles per annum and it has assembled during the six months ended 31st December 1954, 3,43 automobiles of the value of Rs. 5,68,50,000 and also manufactured components of the value of Rs. 41,66,000.

Mechanical Engineering—Production in the Mechanical engineering industries like diesel engines, power driven pumps, sewing machines, hurricane lanterns, etc., increased during 1954. Production of sewing machines rose from 62,419 units in 1953 to 80,198 units in 1954, the latter figure being almost double the installed capacity on a single-shift basis. The production of hurricane lanterns was also above the rated capacity. The production of diesel engines fell from 7,246 in 1951 to 3,716 in 1953, as the import of these engines was put on blanket licence in June 1951 and heavy imports actually took place. The production of diesel engines, however, increased, phenomenally in 1954, accounting for about 8,654 engines. The manufacture of multi-cylinder diesel engines upto 40 H.P. has also been established in the country. Power driven pump industry also recorded a small increase in production from 25,271 pumps in 1953 to 28,617 pumps in 1954. During the year 1954, pumps above 6" in diameter multi-stage pumps (upto 10 stages), axial flow pumps, screw pumps, sewage disposal pumps and self-priming pumps were manufactured in the country for the first time.

The Corporation sanctioned loans aggregating Rs. 73,00,000 to 5 units of the industry, 4 of whom have already availed themselves of the loans to the extent of Rs. 66,50,000 upto date. One of them had repaid the loan taken by it and the balance due from the rest as on 30th June 1955 was Rs. 48,60,400. The products manufactured by these units and the actual annual production reached by them were as follows:—

Products	Actual production 1954-55
Oil Engines	4,900 nos.
Sewing Machines	78,000 nos.
Hurricane Lanterns	16,62,00 nos.

Mining—One unit engaged in the mining, treating, etc. of lead and zinc ores, to whom the Corporation sanctioned loans aggregating Rs. 37,00,000 availed itself of the loan to the extent of Rs. 36,00,000. The balance due from it as on 30th June 1955 was Rs. 27,00,000. This concern has arrangement for processing the lead concentrates and recovering refined lead therefrom; but gets the zinc concentrates smelted on toll in Japan and receives back the metal. The actual production of this unit was as follows:—

Products	Actual production 1954-55
Zinc concentrates	4,400 tons
Pig lead	1,900 tons
Silver	1,63,400 oz.

Metallurgical (non-ferrous Metals)—The Corporation sanctioned loans aggregating Rs. 35,00,000 to 2 units of the industry and one of them engaged in the production of brass and copper sheets availed itself of the loan to the extent of Rs. 30,00,000. The balance due from it as on 30th June 1955 was Rs. 24,84,800. The actual production reached by it was 60,000 cwts. of brass and copper sheets.

Miscellaneous—The Corporation sanctioned loans aggregating Rs. 42,75,000 to four electricity undertakings and one of them availed of the loan to the extent of Rs. 3 lakhs. The balance due from this concern including unpaid interest and other charges is Rs. 3,89,400 as on 30th June 1955.

The Corporation also sanctioned loans aggregating Rs. 79,80,000 to 12 units engaged in the manufacture of various products and 8 of them engaged in the production of vegetable oil, sports goods, zip fasteners, torches, electroplated goods, industrial cloth, rubber goods and raw film, have already availed themselves of loan aggregating Rs. 43,60,000 upto date. The balance due from these concerns as on 30th June 1955 aggregated Rs. 43,93,100.

A statement attached herewith in Appendix 'F' shows the extent to which the Corporation has contributed to meeting the needs for Industrial Finance during the last seven years.

APPENDIX 'F'
Statement Showing:

- (a) Number of units assisted in each type of industry.
(b) Total-paid-up capital of the units in each type of industry.
(c) Total installed capacity each industry will have when the loans are fully availed of.
(d) Total sales in 1954.

Serial No.	Type of Industry	No. of Units	Total Paid-up Capital of the Units in each Type of Industry	Amount sanctioned as loan by I.F.C. up to the year ended 30-6-1955	Expected total installed Capacity when all loans sanctioned by the Corporation are availed of	Total Net Sales for 1954
			Rs.	Rs.		Rs.
1	Textile Machinery ..	2	98,09,000	64,00,000	600 Cards p.a. 7160 Spindles }	63,21,000
2	Mechanical Engineering ..	5	88,21,000	73,00,000	Sewing Machines: 50,000 p.a.	1,86,99,000
3	Electrical Engineering ..	12	1,93,40,600	1,36,70,000	Oil Engines 1,000 p.m. Motor Car Batteries: 1,20,000 p.a. Train Lighting Batteries: 12,000 p.a. Transformers: 2,50,000 K.V.A. p.a. Electric Motors: 18,000 H.P. p.a. Fans (Carriage & Table): 22,500 p.a. Aluminium Cables: 5,000 tons p.a. House Service Meters: 84,000 Meters p.a.	26,70,000 52,25,000 70,45,000 37,28,000 ..
4	Cotton Textiles ..	23	6,53,28,000	4,11,75,000	with components *48 Million Cells p.a. Dry Batteries: 5,24,192 }	38,90,000
5	Woollen Textiles ..	3	62,54,000	35,00,000	Spindles: 7,022 }	7,22,91,000
6	Rayon Industry ..	†1	3,31,74,000	*1,10,00,000	Looms: 12,162 }	86,86,000
7	Chemicals ..	13	6,63,97,000	2,81,25,000	Looms: 84 }	..
8	Cement ..	5	3,48,34,000	3,15,00,000	Sulphuric Acid: 11,550 tons p.a. Caustic Soda: 7,435 tons p.a. Soda Ash: 19,800 tons p.a. Chlorine Liquid: 6,940 tons p.a.	6,92,61,000
9	Ceramics and Glass ..	9	1,27,27,000	‡1,45,50,000	..	..
10	Oil Mills ..	2	†10,04,000	6,50,000	11,15,000 tons p.a. Blast (Melting capacity) 1,34,800 tons p.a. Potteries: Rs. 85 lacs worth of product p.a. Ceramics: Rs. 4.5 lacs .. p.a. Silica Bricks: 6,000 tons p.a. Oil Seeds (Crushing) 20 tons p.d. Cotton Seeds (Processed) 30 tons p.d.	4,40,00,000 53,29,000 76,01,000 82,000 22,00,000 8,48,000
11	Electric Power ..	4	67,70,000	42,75,000	28,510 K.W.	1,96,000
12	Metallurgical Industry (Non ferrous Metals) ..	2	42,31,000	35,00,000	Copper Plates & Sheets 9,000 tons p.a. Bicycles: 2,50,000 p.a. Casting: with certain components: 3,600 tons of steel casting p.a.	1,07,48,000 1,51,94,000
13	Iron & Steel (Light Engineering) ..	9	1,67,81,000	1,23,50,000	Wire & Wire Ropes: 6,000 tons p.a. Wood Screws: 1.2 Million gross p.a. Ingots: 2,500 tons p.a. and one Rolling Mill Plant	1,11,26,000 31,40,000 2,13,000
14	Aluminium ..	1	90,00,000	50,00,000	19,950 tons p.d. Lead & Zinc Ore: 500 tons per day Paper & Board: 88,575 tons p.a.	73,64,000 8,88,20,000 27,95,000 8,35,80,000
15	Sugar ..	13	4,26,86,000	4,43,50,000	To produce 60 per cent of the motor components Manufacture of components of small Fiat Cars Brake Lining: 12000 R. ft. per day.	3,59,10,000
16	Mining ..	1	35,70,000	37,00,000		
17	Paper ..	8	3,53,75,000	3,11,50,000		
18	Automobile & Tractor Industry ..	2	2,51,72,000	1,12,50,000		
19	Unclassified ..	10	1,22,99,000	73,30,000		
	Total ..	125	41,37,72,000	28,07,75,000		51,68,72,000

*The Concern was sanctioned a loan of Rs. 50 lakhs. It applied for a second loan of Rs. 60 lakhs when the amount due against the first loan of Rs. 50 lakhs was reduced to Rs. 40 lakhs and, therefore, the total commitments of the Corporation to this concern did not exceed Rs. one crore at the time of sanction of the second loan of Rs. 60 lakhs.

†Loan since repaid in full.

‡Correct figure for 1954 Rs. 10,04,000.

§Correct figure for 1954 Rs. 1,35,00,000.

||Correct figure for 1954 48 million cells p.a.

APPENDIX 'G'

No. F.2(34).F.III/55

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

Department of Economic Affairs

New Delhi, dated the 4th June 1955

RESOLUTION

Government passed a Resolution on the 23rd December 1953 on all other recommendations in the Report of the Industrial Finance Corporation Enquiry Committee, 1953, except those relating to the Sodapore Glass Works Ltd. It was stated in the Resolution that "the case of Sodapore Glass Works is still under Government's consideration and

final decision of the Government will be announced in due course."

The further examination of the detailed proceedings relating to this loan transaction that was necessary before Government could reach its conclusions has since been made in the Ministry of Finance. Government's conclusions thereon are recorded hereunder.

2. Government agrees with the view of the Enquiry Committee that the capital requirements of the project were not properly assessed either originally or on the subsequent occasions when a reappraisal might have been made, and that this was a major contributory cause for the difficulties met with by the Company. In the opinion of Government, though the primary responsibility for this failure must rest with the Company, the Corporation, having become involved in the fortunes of the undertaking by the

grant of the loan and in default by the Company, must also bear a measure of responsibility for such failure. Corporation should have made a correct appraisal of the Company's needs before sanctioning the loan.

3. Government also agrees that one of the main reasons for the failure of the undertaking was its deficiencies of technical and supervisory organisation. The Company appears to have failed throughout to establish a technical direction of the requisite competence and this factor together with the financial difficulties caused by the persistent under-estimation of capital requirements decisively confounded all its estimates and calculations and resulted in the failure of the undertaking.

4. Government has also examined whether, and if so how far, undue delay occurred or unreasonable conditions were imposed in the disbursement of funds from loans sanctioned in favour of the Company. Government is satisfied that generally speaking the further conditions imposed have been provoked by new circumstances that came to light from time to time affecting the security of the Corporation and have not been unreasonable. After a close and careful examination of the underlying proceedings Government has also come to the conclusion that while there have been some instances of delay and while these delays must have caused some inconvenience and difficulties to the management, for the failure of the undertaking one must look to other causes.

5. In the Report of the Enquiry Committee, the view was expressed that the Committee was opposed to the Corporation making any attempt to sell this factory just for the purpose of recovering its own dues oblivious of the interests of the shareholders and others. Elsewhere in the Report (Paragraph 40 Sl. No. 23 of the Summary of Recommendations) the view was expressed that when an

industrial concern has to be taken over by the Industrial Finance Corporation, the sale of such a concern should not be made except under very special circumstances and without prior reference to Government. In the Government Resolution under para 5B(vii) with reference to this recommendation, it was resolved as under:—

"As regards the sale of such a concern, Government consider that it would not be desirable to prejudge a matter in a general way as suggested and that the Corporation must be left to judge each case on its own merits. Government also considered it important that the responsibility of safeguarding its own interest and recovering its own monies of a statutory Corporation like this should not in any way be qualified."

In April last year, the Industrial Finance Corporation having come to the view that the Corporation should not try to run the factory but should arrange to sell or otherwise dispose it of at the earliest, appointed a negotiating committee for the purpose. Government consider that the Corporation is fully justified in taking the action that it contemplates.

6. The full results of the investigation undertaken by Government are being communicated to the Corporation for its information and future guidance.

ORDER

Ordered that a copy of the Resolution be communicated to all concerned.

Ordered also that it be published in the Gazette of India.

D. L. MAZUMDAR
Secretary to the Government of India

INDUSTRIAL FINANCE CORPORATION OF INDIA

Keeling Road, New Delhi

Balance Sheet as at 30th June 1955

Capital & Liabilities			Property & Assets		
	Rs.	A. P.		Rs.	A. P.
1. Capital—					
Authorised ..	10,00,00,000	0 0	1. Cash in hand and with Bankers:	30,19,425	10 4
Issued & Paid-up ..	5,00,00,000	0 0	2. Investment—Govt. Securities: .. ..	..	..
2. Reserve Funds—			3. Call Deposits	20,00,000	0 0
(a) Special Reserve Fund under Section 32-A(1) of the Industrial Finance Corporation Act	9,12,150	0 0	*4. Loans & Advances	12,72,76,478	8 4
(b) Other Reserves ..	5,50,000	0 0	5. Debentures .. ..	..	..
3. Reserve for Doubtful Debts ..	20,00,000	0 0	6. Guarantees and underwriting agreements per contra .. ..	..	..
4. Provision for Taxation ..	9,84,055	11 4	†7. Other Assets	64,41,387	12 6
5. Bonds & Debentures ..	7,80,50,000	0 0			
6. Borrowings from Reserve Bank of India: ..					
(a) Under Section 21(3) (a) of the Industrial Finance Corporation Act:— ..	..	..	
(b) Under Section 21(3) (b) of the Industrial Finance Corporation Act: (Secured by issue of 3½% Corporation's special Bonds 1956 of the face value of Rs. 3,50,00,000 and maturing on 2-1-1956).	..	..	
7. Borrowings in Foreign Currency ..	..	..	
8. Fixed Deposits ..	..	..	
9. Contingent Liabilities under Guarantees and underwriting agreements per contra: ..	..	..	

Capital & Liabilities			Property & Assets		
	Rs. A. P.	Rs. A. P.		Rs. A. P.	Rs. A. P.
†10. Other liabilities ..		52,71,576 10 5			
11. Profit & Loss Account : (Subject to Provision for Taxation) ..		9,89,509 4 5			
Total ..		13,87,37,291 10 2	Total ..		13,87,37,291 10 2

NOTE.—*This includes Rs. 70,35,486-5-3 for advances made to Messrs. Sodepore Glass Works Limited and Rs. 38,51,892-13-9 for costs, charges and expenses incurred after the management of the concern was taken over under Section 28 of the Industrial Finance Corporation Act, 1948. The estimated shortfall in the realisation of the security will be in the neighbourhood of Rs. 50,00,000 for which no provision has been made in the accounts. No interest has been charged for the year on the advances made to this company.

†The items 'Other Assets' and 'Other Liabilities' include contra entries in respect of subvention of Rs. 30,95,490-2-6 received from the Central Government for payment of guaranteed dividend upto the year ended the 30th June 1954.

Profit and Loss Account for the year ended 30th June 1955.

	Rs. A. P.	Rs. A. P.		Rs. A. P.	Rs. A. P.
Establishment ..	5,87,772 8 2		Interest, Discount, Commission, etc. (This does not include interest amounting Rs. 2,44,779-13-6 on some accounts which have defaulted in payment of interest and principal. This amount is held in Suspense Account) ..		60,71,403 2 0
Directors' Fees and Expenses ..	22,835 0 0				
Auditors' Fees ..	6,000 0 0				
Rents, Taxes, Insurance, Lighting, etc. ..	47,847 13 1				
Law Charges ..	..			
Postage, Telegraph and Telephone Charges ..	16,184 8 3				
Stationery, Printing, etc. ..	19,677 2 1				
Depreciation and repairs to Corporation's Property ..	14,869 10 0				
Interest paid ..	29,51,616 12 5				
Contribution to Staff & Superannuation Funds ..	..			
Miscellaneous Expenses (including Rs. 1,48,936-0-3 for loss on Corporation's Building Project written off) ..	2,35,090 7 7	36,01,893 13 7			
Reserve for Doubtful Debts		15,00,000 0 0			
Net Profit carried to Balance Sheet (Subject to Provision for Taxation) ..		9,89,509 4 5			
total ..		60,71,403 2 0	Total ..		60,71,403 2 0

A. CHATTERJEE
(Deputy Managing Director)
P. C. Bhattacharyya (Chairman)
Shri Ram (Director)
H. C. Captain (Director)
S. Bhoothalingam (Director)
S. C. Roy (Director)

V. P. Varde (Director)
K. R. K. Menon (Director)
B. Venkatapiah (Director)
L. S. Vaidyanathan (Director)
G. D. Ambekar (Director)
Syamnandan Sahaya (Director)
S. V. Ramamurthy (Director)
H. V. VENKATASUBBIAH (Managing Director)

REPORT OF THE AUDITORS

To
THE SHAREHOLDERS
OF THE INDUSTRIAL FINANCE CORPORATION OF INDIA.

We, the undersigned Auditors of the Industrial Finance Corporation of India, do hereby report to the Shareholders upon the Balance Sheet and Accounts of the Corporation as at 30th June 1955.

We have examined the above Balance Sheet with the Accounts and Vouchers relating thereto and the certified returns from the Branches, which returns are incorporated in the above Balance Sheet, and report that where we

have called for explanations and information, such information and explanations have been given and have been satisfactory. In our opinion, the Balance Sheet is a full and fair Balance Sheet containing all necessary particulars and properly drawn up in accordance with the Act and the Regulations of the Corporation so as to exhibit a true and correct view of the state of the affairs of the Corporation according to the best of our information and explanations given to us and as shown by the books of the Corporation.

New Delhi, dated the 9th August 1955.

S. B. BILLIMORIA & CO.
S. VAIDYANATH AIYAR & CO.
Chartered Accountants

LOST

The lower half of Government Promissory Note No. MS 013208 of the 3 per cent Conversion Loan 1946 for Rs. 1,00,000 originally standing in the name of The Indian Mutual Life Association Ltd. and last endorsed to The Mercantile Bank of India Ltd. the proprietors, by whom it was never endorsed to any other person, having been lost, notice is hereby given that the payment of the above Note and the interest thereupon has been stopped at the Public Debt Office, Reserve Bank of India, Madras and that application is about to be made for the issue of Duplicate in favour of the proprietors. The public are

cautioned against purchasing or otherwise dealing with the abovementioned security.

Name of the advertiser—The Mercantile Bank of India Ltd.

Residence—16, First Line Beach, Madras 1.

LOST

The Government Promissory Note No. CA014033 of the 3 per cent loan of 1970—75 for Rs. 1,000 originally standing in the name of the Hongkong and Shanghai Banking Corporation and last endorsed to Anilmohan Ghosh the proprietor by whom it was never endorsed to any other person, having been lost, notice is hereby given that payment of the above note and the interest thereupon have

been stopped at the Public Debt Office, Reserve Bank of India, Calcutta, and that application is about to be made for the issue of duplicate in favour of the proprietor. The public are cautioned against purchasing or otherwise dealing with the abovementioned security.

Signature of the Advertiser—A. Ghosh.

Residence—69/2/2, S. N. Banerjee Rd., Calcutta 14.

LOST

The Government Promissory Notes Nos. CA012733—37 of the 3 per cent loan of 1970—75 for Rs. 1,000 each originally standing in the name of Comilla Banking Corporation and last endorsed to Provabati Laha, the proprietress, by whom they were never endorsed to any other person, having been lost, notice is hereby given that payment of the above notes and the interest thereupon have been stopped at the Public Debt Office, Reserve Bank of India, Calcutta, and the application is about to be made for the issue of duplicates in favour of the proprietress. The public are cautioned against purchasing or otherwise dealing with the abovementioned securities.

Signature of the advertiser—Provabati Laha.

Residence—1/1B, Rupnarain Nandan Lane, Calcutta.

LOST

The Government Promissory Note No. CA-116743 of 3 per cent conversion loan of 1946 for Rs. 1,000 originally standing in the name of Prasad Das Boral & Bros. and last endorsed to Indra Bhusan Beed, the proprietor by whom it was never endorsed to any other person, having been lost, notice is hereby given that payment of the above Note and the interest thereupon have been stopped at the Public Debt Office, Reserve Bank of India, Calcutta, and that application is about to be made for the issue of duplicate in favour of the proprietor. The public are cautioned against purchasing or otherwise dealing with the abovementioned security.

Signature of the advertiser—Indra Bhusan Beed.

Residence—14, Srinath Das Lane, Calcutta 12.

CHANGE OF NAME

I, M. THIRUVENGADAM, Son of S. Murugesh shall henceforth be called as THIRUVENGADAM MARTIN.

CHANGE OF NAME

It is hereby notified for information of all concerned that due to adoption, my name has been changed to Bansilal Chimanlal Kayastha from Bansilal Nanalal Kayastha with effect from 28th April 1955.

B. C. KAYASTHA

CHANGE OF NAME

I, Banta Singh, S/o S. Waryam Singh of V.P.O. Panjwar have changed my name as Balwant Singh. All concerned to note.

CHANGE OF NAME

I, Ajoy Kumar Bahaduri, Trains Clerk Central Railway, Jabalpur, hereto be called and known by the name Ajoy Kumar Bhattacharjee hereby give notice that by a deed poll dated 9th September 1954 and registered in the Court Registry on the 11th September 1954, I abandoned the said Surname of Ajoy Kumar Bahaduri and adopted the Surname Ajoy Kumar Bhattacharjee, before the witnesses Mr. J. P. Gupta and Mr. Gautam Dev Rajpal, Both are Train Clerks.

CHANGE OF NAME

It is hereby notified that the undersigned has changed his name from Arun Kumar Dey to Arun Kumar Dey Chaudhuri.

A. K. DEY

Office of the Garrison Engineer,
Naval Works, Bombay.

CHANGE OF NAME

I, previously known as Sri B. K. Rout, Turner T. No. 10328 Eastern Railway Workshops, Khargpur as per proper deed as prescribed in the office memorandum No. 60-274-48-Ests., dated 3rd November 1948 issued by the Ministry of Home Affairs, Government of India forwarded by Railway Board under its No. E. 48 NM I-3, dated 30th November 1948

published in Ex. BNR Gazette No. 14 of 6th April 1949 under Standing Order No. 54 and General Manager's letter No. B-1055 of 26th March 1949 am since 10th December 1953 known as B. Lakshminarayana.

CHANGE OF NAME

I, previously known as Sri Jotin Dolai, Turner, T. No. 10394, Eastern Railway Workshop, Khargpur as per proper deed as prescribed in the office memorandum No. 60-274-48-Ests., dated 3rd November 1948 issued by the Ministry of Home Affairs, Government of India forwarded by Railway Board under its No. E48-NM-1-3, dated 30th November 1948 published in Ex. BNR Gazette No. 14 of 6th April 1949 under Standing Order No. 54 and General Manager's letter No. B-1055 of 26th March 1949 am since 10th December 1953 known as Jothindranath Maity.

CHANGE OF NAME

I have changed my name from 'Takhat Raj Sabharwal' S/o L. Devinditta Mal to 'Vijay Kumar Sabharwal'.

CHANGE OF NAME

Ananta Kumar Dhupi, Clerk, Calcutta G.P.O. henceforth to be known as—Ananta Kumar Das, as per Affidavit, dated 6th April 1955.

CHANGE OF NAME

It is hereby notified that the undersigned has changed his name from HAMPANKATTA SRINIVAS to SRINIVAS MUNDAPPA SHETYAN.

CHANGE OF NAME

I, the undersigned Lalubhai Haribhai Chamar desire to be henceforth known as Lallubhai Haribhai Makwana.

VIRAMGAM

11th February 1955

LALLUBHAI HARIBHAI
Chamar
Clerk, Post Office, Viramgam

CHANGE OF NAME

This is to notify to all concerned that I, N. Ganapathi Raman, alias N. Ganeshan, son of late Sri Narayana Ayyar, at present employed under the Calcutta Dock Labour Board, will hereafter be known and called as N. Ganeshan.

CHANGE OF NAME

Under the provisions of para 4 of AI 196/51, Major WAKIL SINGH (IC 2901) 2/1 GR is permitted to change his name to 'WAKIL SINGH CHIBH' (WS CHIBH).

CHANGE OF NAME

I, Brojendra Chandra Das, P. & T. employee, Gauhati R.M.S. Office, do hereby declare that my name has been changed from Brojendra Chandra Sukladas to Brojendra Chandra Das by an Affidavit solemnly sworn before the 1st class Magistrate, Gauhati.

CHANGE OF NAME

"I, Miss Harcharan Chawla, daughter of Shri Sunder Singh Chawla, District Inspectress of schools, Ferozepore, hereby declare that after marriage with Mr. Rongura, I have changed my name to Mrs. Harcharan Rongura. All concerned are requested to note."

CHANGE OF NAME

It is hereby notified for general information that I, Rampat Chander alias Rampat Singh Chander son of Shri Murlidhar resident of Mundana of District Alwar serving in the Accountant General's Office, Rajasthan Jaipur have changed my name to "RAMPAT SINGH CHANDOR" and henceforth will be known by the changed name Rampat Singh Chander.

CHANGE OF NAME

Everybody may take notice that I, Virsa Ram son of Shri Mehar Chand resident of Viryana, District Jullendher at present employed as a peon in the office of the Appellate Assistant Commissioner of Income-tax, Bareilly has changed from to-day my name to Virsa Singh.

NOTICE

Notice having been given of the loss of Policy No. 191211 on the life of Harbans Lal Khorana, it is hereby declared that duplicate thereof will be issued if no objection is lodged with us within one month from this date.

K. L. GUPTA, M.A.
General Manager
Bharat Insurance Company Ltd., Delhi

NOTICE

Notice having been given of the loss of Policy No. 301588 on the life of Shri Ram Prashad, it is hereby declared that duplicate thereof will be issued if no objection is lodged with us within one month from this date.

K. L. GUPTA
General Manager
Bharat Insurance Company Ltd. Delhi

NOTICE

"S. SUNDRA & CO. LTD. In Voluntary Liquidation,
NEW DELHI

Notice is hereby given that the General meeting of Messrs. S. Sundra & Co. Ltd., in Voluntary Liquidation duly given notice of and convened on the 25th August 1955 have resolved that the final statement of Account of the Honorary Liquidator be passed and the necessary notice be sent to the Registrar, Joint Stock Companies, New Delhi informing him that the company has been finally wound up together with a copy of the final Account.

S. SUNDRA
Honorary Liquidator"